

January 22, 2016
Maine Milk Commission Meeting Minutes
Deering Building, Room 233
Augusta, Maine 04333

Notices for the January 22, 2016 meeting were distributed to Commission members, intervenors and other interested parties on December 14, 2015 and sent to the Secretary of State's Office for posting on December 24, 2015.

Commission Present: Mike Wiers, Colon Durrell, Richard Cook, Matt Randall and Stanley Millay

Commission Absent: None

Department Officials: Bureau Chief, Ellis Additon

Staff Present: Tim Drake, Executive Director, Betty Farr, Resource Administrator and Carol Gauthier, Office Associate

Legal Counsel: Lauren Parker

Others Present: John Blake, H.P. Hood, Julie-Marie Bickford, MDIA, Jim Lesser of Oakhurst Dairy, Shelley Doak, Maine Grocers and Food Producers Association, Mike Brackett and Bruce Schucker, Hannaford, Clayton Davis, DFA/DMS; Also Jacob Bickford, member of the public.

Chairman Wiers called the meeting to order at 10:35 a.m.

Agenda Item 1: Minutes: Colon Durrell made a motion to accept the minutes of the December 24, 2015 meeting as presented. Richard Cook seconded the motion. Motion passed 4-0.

Agenda Item 2: Lauren Parker, Assistant Attorney General:

Agenda Item 3: Minimum Prices:

Tim Drake reported that a prevailing premium of \$1.10/cwt. on Class I for February 2016, Dairy Marketing Services (DMS). In addition to this premium, DMS reported that an additional \$0.43/cwt for milk that comes from producers who do not treat their cows with the rBST hormone will be in effect. Agri-Mark reported a total premium remains unchanged for February. Federal Order One Class I price for February is \$16.89, a decrease of \$2.40/cwt. He explained that a schedule was prepared using this information plus a producer cost of production adjustment (COPA) of \$1.35/cwt. He stated that this price schedule was for informational purposes and that the Commission was not bound to it, and should make their pricing determination after hearing testimony.

Chairman Wiers asked for testimony.

Julie Marie Bickford noted the decrease in price and stated that a \$2.40/cwt. drop was enormous for producers. She also stated that the Tier program is already paying out \$2 to \$3 less per cwt. than the current cost of production numbers show. She noted that while fuel and feed costs are currently down their effect on dairy farmers is currently minimal due to the season. She suggested an increase to the producer margin be considered.

Shelley Doak noted that the new cost of production numbers were due to be taken up by the legislature and may be adopted which would increase the Tier program payouts.

John Blake stated that while the price has dropped by approximately \$0.21 per gallon the handling fee has risen by \$0.20 per gallon.

Julie-Marie Bickford stated that she respected the MGFPA and processor's tasks she would be remiss not to point out that retail prices were over minimum prices on the current price surveys.

John Blake pointed out that a majority of Hannaford stores are selling gallons of private label milk at the minimums.

Stan Millay asked how much of an effect would a \$0.10 increase in the producer margin have on the retail price of a gallon of milk.

Tim Drake answered that it would raise the price of a gallon by \$0.01.

Stan Millay then made a motion to accept order #02-16 with a producer margin of \$1.45/cwt. and a Commission premium of \$1.53/cwt.

Richard Cook seconded the motion.

Matt Randall pointed out that the producer margin has been \$1.58/cwt. at its highest.

Chairman Wiers called for a vote on the motion. The motion passed 4-0.

Agenda Item 4: Maine Monthly Price Survey: The Commission reviewed the Maine price survey for January 2016 which showed retail prices for Augusta, Brunswick, Topsham, Bangor, Brewer, South Portland, Scarborough, Saco and Biddeford. The IAMCA survey was not available.

Agenda Item 5: Next Scheduled Meetings:

- February 19, 2016, 10:30 a.m.
Room 233, Department of Agriculture, Conservation & Forestry, Augusta ME
- March 24, 2016, 10:30 a.m.
Room 233, Department of Agriculture, Conservation & Forestry, Augusta ME
- April 21, 2016, 10:30 a.m.
Room 233, Department of Agriculture, Conservation & Forestry, Augusta ME
- May, 19, 2016, 10:30 a.m.
Room 233, Department of Agriculture, Conservation & Forestry, Augusta ME

Agenda Item 6: Other:

- A. **Monthly Financial Report:** The second quarter FY 16 report was reviewed.

Agenda Item 7: Executive Session: None

Adjourned: Adjourned; 10:54 a.m. January 22, 2016.
Tim Drake, Maine Milk Commission